

**BOARD OF MANUFACTURED HOUSING  
Fully Transcribed Meeting Minutes**

**TIME:** 1:00 P.M  
**DATE:** February 11<sup>th</sup>, 2009  
**PLACE:** Department of Fire, Building and Life Safety  
1110 W Washington, RM 145  
Phoenix, Arizona 85007

**I. Call To Order**

This meeting was called to order by Chairman Ross Wait, at 1:13 p.m.

**II. Answering Roll Call**

Ross Wait, Chairman, representing Retailers;  
Roger Wendt, Vice Chairman,  
Catherine McGilvery  
Neal Haney

**Absent**

Paul DeSantics

Carlo Leone

**Staff Present:**

Bob Barger, Director, Department of Fire, Building and Life Safety  
John Stahmer, Deputy Director, Department of Fire, Building and Life Safety  
Debra Blake,  
Beth Soliere,  
Camila Alarcon, Attorney General's Office for the Department of Fire, Building and Life Safety

Jessica Chapman, Administrative Assistant and Recording Secretary for the Board of  
Manufactured Housing.

**III. Approval of Minutes- of November 6<sup>th</sup>, 2008 meeting and October 15<sup>th</sup>, 2008**

Chairman Ross Wait: Thank you Jessica. Alright, next item on the agenda and I'm going to take them one at a time I have some questions regarding one, I would entertain a motion to approve the November 6<sup>th</sup> 2008 minutes

Neal Haney: So moved

Chairman Ross Wait: Second?

Roger Wendt: Support

Chairman Ross Wait: Alright, Roger has second it. Is there any discussion, all those in favor say I

Neal Haney: I

Roger Wendt: I

Chairman Ross Wait: So moved thank you. Next is the minutes of October 15<sup>th</sup>, 2008 is there a motion to approve those?

Roger Wendt: So moved

Chairman Ross Wait: Second somewhere

Neal Haney: Second

Chairman Ross Wait: Thank you. I have a couple of questions on, I'm not exactly sure this, it isn't necessarily detailed with the minutes but with it just has to do with some general housekeeping items, on page 5 it says that basically that we would have the detailed minutes that we would have the abbreviated minutes yet the abbreviated weren't there is that something that's going to happen in the future?

Bob Barger: I can respond to that. We were trying to do the abbreviated minutes like we did the last time and post the entire minutes on the website but again through the transition and other things we changed our website and we had to put the new Governors logo and picture and everything on there and in the process I think we've lost some of our stuff. So we're in the process of getting back into that. I think some of it was posted and there was just a delay in that process

Jessica Chapman: What I thought was in that last meeting, the October 15<sup>th</sup> meeting we had to talk and a lot of the Board members had said that they thought they were a little too abbreviated, my version was. After the meeting we were to get together and, did not discuss how to abbreviate those minutes so the full version is what I kind of kept because I didn't know how to abbreviate and capture what information each person would feel was the most important

Bob Barger: Per that discussion what we can do is take a look at it sending out abbreviated minutes but posting the entire minutes on the website to where if anybody chooses to download that then they can do that. We just need to make sure that we do that.

Chairman Ross Wait: I want all the details, it's great to have that because we've never had that in the past but to boil it down to maybe basically just the same things that occur because there's a lot of words that just flow through and beat a subject to death, that really may not pertain to it so if that's the case I know it's a difficult decision to make to be abbreviated but.

Neal Haney: I think it's difficult for somebody who's not in the industry like we are to say well what's important and what's not. Is that?

Jessica Chapman: The minutes prior to me coming and I didn't kind of get the format of how they were being abbreviated before because they were all over the place, so it's just, yea the information capturing.

Bob Barger: Just to let you know they never were abbreviated as part of the thing, we never got together after that last meeting to discuss what is an abbreviation of the minutes? And how can we abbreviate the minutes? Can we abbreviate the minutes or does it have to be the full posting?

Camila Alarcon: You mean does it have to be the full every?

Jessica Chapman: Fully transcribed

Camila Alarcon: No, it does not have to be fully transcribed absolutely not, it can just be the topics that were discussed the actions taken by the Board and anything that is, relevant. It by no means has to be transcribed word for word.

Bob Barger: So I think what we'll do from our stand point, I'll get with Jessica we'll take a look at that see what the abbreviated version would be of that. But I think for the next one because the next one is in May and that's where we set fees I think we'll probably send out an abbreviated version plus the full version so you can take a look at the packet then we can discuss at that meeting what would be appropriate in the sense of how this meeting goes.

Chairman Ross Wait: Alright, I have one other question in that same arena and that was the monthly reports were going to be put up each month and they're not.

John Stahmer: So what happened with that essentially is we were very significantly in the process of getting the reports reformatted and much more user friendly and unfortunately we ended up having a problem with the employee who was working on them and she was terminated and when she was terminated we were unable to find the work that she had done. Which is I guess a huge waste and I have to take responsibility for that.

Chairman Ross Wait: So do you anticipate they will be posted in the future then?

John Stahmer: I certainly hope so.

Chairman Ross Wait: I thought you; you prepare those for internally means I'm assuming?

John Stahmer: Yea we have monthly reports for everything, we can post those online.

Jessica Chapman: Those are online now the last, December and January are not yet online, however the other previous months have been uploaded and are available online.

John Stahmer: I was just talking about the reformatting of the reports

Chairman Ross Wait: I was talking about the actual reports you prepare each month, anyway it was just a case of putting those, I believe online

Bob Barger: Right, so we'll post the reports that we give to the Board online so that you can track them because we discuss that sometimes we don't meet for four or five months and then there's that big gap

Chairman Ross Wait: That's the great deal about it; I can get in look at them monthly and see what's going on

Bob Barger: We're still looking at reformatting it so that we don't have so much paper for this meeting, in other words so if we post them monthly you all can view them monthly then there may not be any need to do anything more than that. And then for review what we may just do, because the other thing we have for this meeting is the last month's reports. We will start posting those online

Chairman Ross Wait: I know we've had that discussion and it was agreed that you guys were going to do that, The Department was going to do that and it just hasn't happened so I'm just checking on the status of that. I want to watch the Recovery fund balance on a monthly basis, it's something to watch. Roger you have a question?

Roger Wendt: On page nine about the third paragraph from the bottom I am quoted as cursing on this page, it says here that Roger, 250 thousand trailers, I said the 'T' word. I think it should be 250 thousand dollars

Jessica Chapman: Okay

Roger Wendt: Jessica, trailers is a curse word in this industry

Jessica Chapman: Okay, it gets really difficult sometimes to hear, I know how it goes but it gets really really hard sometimes to hear a lot of unintelligible words and also veering off of topic too happens a lot so sometimes, somebody will be going somewhere and all of a sudden I don't even

Bob Barger: One of the things that we're going to look into because we've found out through the process is that all of these mics feed over even if you're whispering we still get that feed back into the recorder

Roger Wendt: Right

Bob Barger: So we're looking at microphones that you can turn off unless you're speaking, so that we don't get all that feedback from everybody else as we go through this.

Roger Wendt: I'd like to amend the minutes and put dollars there. So I approve we accept these as amended

Chairman Ross Wait: Okay we have a first and a second and then as amended, all those in favor say I

Neal Haney: I

Roger Wendt: I

Catherine McGilvery: I

Chairman Ross Wait: Opposed? So moved, thank you. Alright, next topic, Financial Reports.

#### **IV. Financial Report**

Bob Barger: We have an updated Financial Report

Jessica Chapman: This is Decembers it's the most current that we have actually. It wasn't available when we sent the packets, and it's just the Financial Report.

John Stahmer: I just don't have January's revenue in, I didn't get that. In the minutes it says I would have the prior month done by the 15<sup>th</sup> of the following month, so I still have 4 days. So, I'm going to talk for a second about something because I talk a lot. Estimated annual revenue estimated annual expenditures if you recall at the last meeting I was very nervous about the 95-105% provision, currently because of the budget cuts and with 56 going to manufactured housing 44 going to the office of the state fire marshal we're standing at 89% almost 90% of the 95-105% provision. So we've gained significantly on that. Another point on that issue is that we cannot raise any fees per Governors order so; the fact of the 95-105% provision is dead weight this year.

Chairman Ross Wait: I'm not sure when you say no fees can be raised, is that what you're saying?

John Stahmer: Yes

Chairman Ross Wait: So if we wanted to raise any fees we can't do that? Is that what you're saying?

John Stahmer: Yes

Bob Barger: Just to clarify a little bit on that, the Rule making and everything else, we had some issues over trying to do docking codes and one of them was the new installation standard. We've been given direction to withdraw all of our Rule making processes, any legislative things that we had over at the Legislature that impacted anything to do with Consumers, citizens, business or anything else that would impact them financially. So, and that's the direction it is right now. GRRC as far as the Rule process goes is pretty much just not hearing anything right now. That's through directions of the Governor's office.

Chairman Ross Wait: Okay so that is installation, permits, it's how much the Dealers pay or any of that. Does it affect bonding?

John Stahmer: Yes

Chairman Ross Wait: So even if you wanted to raise the bonds, the bond amount I mean that's not a fee you're just raising the bond amount, you can't do it?

Debra Blake: There's actually a separate mandate from the Governor's Office that addresses bonds separately and you're not allowed to make changes

Bob Barger: As you look at our agenda it pretty much nulls everything that's on here

Chairman Ross Wait: Yea, so the did we put into play the \$30 fee?

John Stahmer: That was put in prior

Chairman Ross Wait: So if it hadn't been it would have been frozen at \$15?

John Stahmer: Exactly

Chairman Ross Wait: So they don't care about the Recovery fund, in essence?

Bob Barger: Everything is just frozen right now until the Governor's office has an opportunity to look at the entire programs that were being handled by the previous administration. That includes

everybody across the Board; it's not just The Department of Fire, Building, and Life Safety.  
We'll probably have to stick to our agenda

Chairman Ross Wait: No I understand

Bob Barger: Then we'll represent how that processes on each item as we go through

Chairman Ross Wait: Okay

Neal Haney: Mr. Chairman?

Chairman Ross Wait: Yes

Neal Haney: I have a question on this part of it. In the Recovery fund claims paid out and awaiting hearing hand out that was given to us, there were approximately \$72,800 in pending claims against that fund and at that time the fund had a balance showing as of the end of November of \$940,693 that's the only one that we've got as of December 31<sup>st</sup>, 2008 that the fund balance has dropped down to \$860,000 that would be more taken out of that then we've had pending waiting hearing

Beth Soliere: The \$72,000 is still pending; those cases haven't been heard yet, so they haven't been taken out of the Recovery fund yet

Neal Haney: Okay, then where did the drop in

Chairman Ross Wait: It went down \$80,000 basically

Neal Haney: Yea, \$80,000 where'd the drop come from?

John Stahmer: Well there's \$109,719 in claims paid out in the month of

Bob Barger: Let's pass this out this has more clarification on it. These things, some of these are going through so fast on this

John Stahmer: That doesn't add up though either, you're right Neal, I did something wrong here. Because we were at \$940,000 at the end of November we paid out \$109,719 and somehow were at \$860,978 so yea I don't know, I don't do it with a calculator, I do it was excel formulas and I got a little sloppy.

Neal Haney: We don't know what the balance is, is that correct?

John Stahmer: It would be \$851,269

Debra Blake: I think at one point when we looked at it, and I don't know if we can get these numbers to jive right now, maybe Beth can but when we were looking at the claims for the Dealer that I gave you an update on at the last I think October Board meeting of all of the claims that have been to hearing and the check is either pending or we're waiting on the decision I believe we calculated that the fund balance would be down to about \$200,000 once everything was paid. So, that's about where we're at with it.

John Stahmer: I made a bunch of errors here, I'm sorry I just did December 1 a minute ago and it makes absolutely no sense

Bob Barger: What we'll do is we'll have John go back to the calculator

John Stahmer: I'll go right now, is that okay?

Bob Barger: Mr. Chairman, do you want him to do it right now or do you want him to do it afterwards?

Chairman Ross Wait: Because you might, I don't know how long you'll be gone, and I'm sure they'll be other questions. So coming back, we're getting a little fuzzy here should we have this discussion on the Recovery fund, or

Neal Haney: It's the Financial Reports

Ross Wait: Your questions remain but now we're looking into other areas I'm sure we'll have plenty of time to get into all the numbers. Engineering monthly reports, down where it says "awaiting corrections" about 2/3 the way down it says prior year to date 28? Some of the stuff I printed off of the website and I'm not sure but I briefly went through everything but I pretty much had all my stuff I downloaded all marked up so I didn't really use what was in the packet but this is a report I know we get on a monthly basis I don't know if it's in the stuff we were handed today, or that was mailed to me, is it? Okay, it just seems like huge, why would it be 28 prior year to date and we have 5/18 this year to date. Does that make sense?

Bob Barger: Yea, it does

Betty Rosen: It's a carryover is what it is, that number never goes down, because once I show it then I show it back into the system as being correct.

Bob Barger: What do you mean? Under the year to date column it shows 5/18 and prior year to date is less than what was done in this two months

Debra Blake: Once they're resolved it shouldn't be in waiting corrections field, right?

Betty Rosen: I can check it, I'll check on that just to make sure

Chairman Ross Wait: Yea, because there's only 3 for the month, 28 year to date a year ago. We got 5/18 this year to date? There's something not consistent

Debra Blake: Last year to date was only 28 why the jump?

Betty Rosen: Yea I'll check on that.

Roger Wendt: On that same page, I like it but I'm curious to know even though there were less submittals and so forth looks like our fees are up, did we raise those fees?

Debra Blake: We raised the fees

Roger Wendt: Thank you

Chairman Ross Wait: I'm trying to understand what these two reports are

Jessica Chapman: Those are the insignias I think, those were the top page

Chairman Ross Wait: They just have the same numbers everywhere

Jessica Chapman: It's the way that Ayde does her reports and for some reason those numbers don't change

Bob Barger: That's another numbers issue for this Department to look at

John Stahmer: What other mistakes do you want to point out? It's just a debacle at this point.

Bob Barger: We'll buy new calculators

Chairman Ross Wait: Check your formulas you should always have a double check formula. Coming to IPIA inspection monthly reports and then Manufactured Home Dealer lot inspections. When you say 'lot inspection' is, are you going, I'm just trying to be clear on this, is that when you're going through the Dealers, going through their Trust accounts, doing, looking at the homes on the lot is it the whole audit process in essence? I'm talking about this down here; let's see IPIA Inspection monthly report.

Bob Barger: Through the IPIA process the implant inspection process we inspect them in the plant

Debra Blake: On the lot

Chairman Ross Wait: Right

Bob Barger: This is the physical inspection of the product at the Dealers

Chairman Ross Wait: And it's only the homes in inventory that you're looking at you're not going in and auditing the Dealers, Trust accounts, or that

Debra Blake: No, this is just looking

Chairman Ross Wait: Just the homes?

Debra Blake: Yea

Chairman Ross Wait: Okay. Program Compliance Activity report, this guy. So, audits, this is where we're actually looking at the books of the Dealer, so to speak

Debra Blake: Yes

Bob Barger: Yes, investigations

Chairman Ross Wait: So prior year to date audits with violations, just total audits either way you look at it, has dropped substantially from 70 prior year to date, 51 now? And I mean, is there a reason for that why we're not auditing Dealers as often

Bob Barger: I don't know if it's just a staffing issue because we just have one person doing that now. Is Donna the only one doing that?

Debra Blake: Yea, but I'm just wondering if it's just not, she's looking at the sales reports and how they're managing Trust accounts and I just think that the volume is down as represented by what's going on in the industry.



Roger Wendt: You know it's my understanding that if every Retailer's books were looked at every two years I don't think it would come down that substantially, I don't know, maybe it would.

Chairman Ross Wait: We have a few less Retailers but not a lot

Neal Haney: Mr. Chairman?

Chairman Ross Wait: Yes Neal

Neal Haney: I know that there's a lot of the smaller Retailers, or Dealers that have gone out of business a lot of little ones that, I can think of 4 or 5 down in Tucson area alone that have gone out, and as Roger stated a lot of people only get audited every 2 years if they don't have substantial activity, or if they don't have problems and so without actually talking with Donna, I know that that can contribute to it

Chairman Ross Wait: One of the things, I would really have to question the I mean if we have this entire Department we have only one person looking at the Dealers and we've had a substantial reduction in the number of audits so that sort of supports what I think is happening yet it's in these type of economic times is when I feel that most Dealers are at risk they say well you know I take some of this money out of my Trust fund and I'll pay it back next week, next month and you don't do it. Now is that the main driver why we have almost a million and a half bucks coming out of the Recovery fund, because we're not out there doing our audit, and this is when we ought to be tripling the number of audits not reducing them, in my opinion

John Stahmer: I think you're right

Bob Barger: I don't totally disagree with you but

John Stahmer: We'll have to find staff

Chairman Ross Wait: I understand but, that's what I'm saying I think we've got resources I would rather have someone out looking at Dealers then I would having them shuffle paper or preparing reports. Take some of these reports away I don't really care the key thing is, the integrity of our entire industry has always been tied to that Recovery fund because not one person has ever lost a dime. Now we're talking about this thing going down to \$200,000 we've got no ability to side trip, we'll discuss it later, but no ability to raise fees to increase Recovery fund, no ability to increase bonds for Dealers, which would help protect that Recovery fund so for that remaining \$200,000 to get swallowed could be done in a blink, a blink. So if there is a resource that needs to be focused it's on us, in my opinion, that's my two minutes worth anyway. Because it's the integrity of our entire industry.

Bob Barger: Mr. Chairman, I agree with you in that concept, again in the auditing process I mean when people are going to go out of business they do different things, to cover up what they're doing and things and a lot of times we don't find out until after the fact that they've gone under and I don't know if an upfront audit would tell us whether someone is going out of business or not but I do agree with you that the auditing section does need to be out there checking the books and doing those kinds of things. Again our staff is limited and when we get into a little further on next year's budget, we're probably going to be limited to even a greater degree.

Chairman Ross Wait: I'm sure you are

Bob Barger: So we may have to look to alternatives to that, I'm not sure exactly how we approach that

Chairman Ross Wait: Roger?

Roger Wendt: Just starting to think this thing through, current to the license report we've gone down from 387 licensed Retailers a year ago down to 349.

Debra Blake: Correct

Roger Wendt: Which isn't as substantial as a decrease as we're seeing in our audits and then it would make sense we've got 349 licensed Dealers half of them should be audited each year.

Chairman Ross Wait: That's my recommendation right now

Roger Wendt: So we should have 175 audits per year, and there is probably some Retailers licenses here that aren't active licenses but

John Stahmer: I hear that message very loudly and definitely understand what that means

Chairman Ross Wait: Well you know the Registrar of Contractors at least they have a diffuser out there. Maximum blame anybody can get against theirs is \$30,000, we're unlimited

Bob Barger: Based on what the Administrative Law Judge says, they feel is fair and operable based on

Chairman Ross Wait: They have larger bonds, you know, so there's some protection there all that's going to happen is the pressure is going to increase on Retailers and the entire industry to look at it we're down 70% from a few years ago and now the real pressure is starting because GMAC one of the major lenders and GE Capital all those people are going to just come out, we're not renewing. Now try going to a bank right now and getting a unintelligible line because a lot of these people have been struggling cause there hasn't been the financing for the buyers for the Consumers and Consumers losing their jobs and so there's just going to be more and more pressure on this industry which makes it more tempting to take a look at that Trust fund and say I want a temporary loan here. You know all that 's going to happen is the pressure is going to increase until we see this thing turn, and I don't see anything in a rising yet that says it's going to turn. I really think you need to take a look at allocation of resources and have more people, and I understand the budget constraints and I probably don't understand them to the detail that you do but you need to at least in my opinion consider taking a look at a reallocation of some of those human resources and get out there and get ahead of this if we can't do something else to help that Recovery fund that's one step we could take to do so. On the same report, I'm just asking down where it says unlicensed prior year to date was 8, this year is 26 that means that just, a lot of that going on out there, or just a general question. I'm a little concerned; I'm just trying to understand that.

Debra Blake: We have identified through our presence in mobile home parks primarily a lot of unlicensed sales activity going on where there are, I guess it's just, in fact we had a licensee in yesterday complaining that there are unlicensed individuals, many of them illegally here who are calling our licensees and saying can I buy your insignia and use your license for \$500 so that I

can sell this home, install it, and so just having our presence in the park looking for installations seeing what kind of signs are in the windows often homes for sale, we've really stepped that up and as a result of it we've identified a lot of unlicensed activity.

Chairman Ross Wait: Okay, good. John?

John Stahmer: Mr. Chairman, here's I just want to reiterate your point. I know that we've said things in the past that we were going to do, but I guarantee you that when we are out of this meeting we will be talking to Donna regarding who we can possibly train in the auditing process and getting more resources that, absolutely as soon as possible even if it does mean taking people away from other areas. The other thing I wanted to go back to, is that the Recovery fund balance, I admitted to seem to have been having made a mistake note, at the end of November there was \$940,693 in it, the monthly deposits were \$27,805 the monthly interest earned was \$2199 which gives you \$970,697 you take off the monthly claims paid which was \$109,719 then that leaves you with the fund balance of \$860,978.

Chairman Ross Wait: Okay, that answers that.

Roger Wendt: What does that do to the list that we have showing pending claims, how does that correlate to that, if those claims are still outstanding?

Bob Barger: They haven't been paid yet

John Stahmer: Then the fund will come down further.

Roger Wendt: Then end of November there was \$570,000 you had some income you had some interest and you had a \$109,000 in claims paid, where on that hand out, was that not included in this, these numbers what so ever?

John Stahmer: No

Beth Soliere: I have the whole total paid from the Recovery fund the \$100,407,341 wouldn't it have been shown in there?

John Stahmer: Well it would be but it wouldn't be broken out of the month, I just look at the numbers for the month, the month to month.

Debra Blake: I think most of the big claims

Unintelligible entire room speaking over one another

Bob Barger: The Recovery fund is just going to get hit hard, in some of our previous meetings we talked about what happens once that fund is depleted.

Chairman Ross Wait: Should we at this point, I think we're pretty well done with the Financial Report should we just wait to have this discussion

Bob Barger: Yes

Chairman Ross Wait: Roger?

Roger Wendt: I have a couple of comments about the reports. One is that I'm happy to see we are collecting off of bonds.

Chairman Ross Wait: Can we save that for the, go ahead with that one

Roger Wendt: On insignias issued report a couple of minor mistakes toward the bottom of the page, HUD labels and so forth that what I really wanted to point out was Installer issued insignias and Installer recording insignias which means, the home is being installed and inspected and Consumers taking possession of a new or they've moved their home. Is certainly not down as dramatically as the rest of the numbers we see. It's about a 20% drop year to date from last year, which to me, it gives me a little hint of optimism about even though we're not seeing shipments maybe we're delivering more homes out of inventory and there are homes being installed less than last year, but not as significant as all of the other numbers that we see in our report. Just a little observation.

Bob Barger: I was following a large double wide coming in this morning going somewhere.

Roger Wendt: Multi section

Bob Barger: Excuse me

Chairman Ross Wait: The industry has brain washed him. Any other discussions on the Financial Reports? Next item on the agenda, which frankly will be a very short discussion, is Fee Structure. It's all going to remain the same, that's it, so we move to the next item.

## **V. Fee Structure**

Bob Barger: On the Fee Structure again, there is one thing that we are pretty much have been instructed to just hold the bar on everything right now, so we can't take any action. One thing we will have to do before the next meeting as we get down to the bottom is that the Board sets the fees we're going to have to get a ruling on that. The Board does set the fees and how that does impact something from the Governor's Office that says to hold the fees, so we'll get a ruling on that before the next meeting.

Chairman Ross Wait: One question I have and it's not an agenda item here, I'll just throw it out there because I'd like to know what you have to say. Do they understand, I understand you could just say ok lets freeze all fees I believe I can understand why they would do it in these economic times? But has, do they really understand what's going on with our industry how our Recovery fund works and how that entails with bonds and the fee to replenish the Recovery fund, which is really an insurance payment to protect the Consumers so what they could have done is really inhibit our ability to maintain the integrity of our industry has that part of it been through?

John Stahmer: Chairman, I don't think that it has at all.

Chairman Ross Wait: They just made a blanket decision across the board

John Stahmer: They just make a decision without looking at anything we don't as of yet, unless Bob heard something this morning and I didn't know but we don't have a Policy Advisor, without a Policy Advisor we don't talk to the Governor so we can't go with our case and say we need to raise this because of the integrity of the industry. Once we get the Policy Advisor then we can communicate our concerns about that but right now we have no Policy Advisor, further this

regulation, this Rule that was put up by the Governor is said to expire on April 30<sup>th</sup> it's just so that they , my belief is it was set so that they can get an understanding of what's going on before fees are increased or before anything becomes more expensive in this economic climate they don't want to make anything more expensive so once April 30<sup>th</sup> comes and once we have a Policy Advisor we'll be able to communicate this at that time, until then our hands are tied and there's nothing that we can even do to communicate it to them.

Chairman Ross Wait: Is that something the industry or Scot Butler should be talking to them about, I'll just throw that general question out to anybody in this room.

Bob Barger: That's probably something that needs to be done outside of this form and things like that and discussions with those folks yes, but like I said tomorrow, after the meeting tomorrow I'll have more information and maybe we'll have something identified where we can go now.

Chairman Ross Wait: As far as having this Bonding Committee and I set up Neal, Paul and myself to be on I assumed we probably should just go ahead with that to get all of the thought processes out of the way assuming that come May 1<sup>st</sup> we would have the ability to do something if we chose to. I mean, is that a good idea?

Debra Blake: Yes

Chairman Ross Wait: Okay, good. Alright, next item, review discussion, and possible action of Recovery fund replenishment standing agenda item.

**VI. Review, discussion, and possible action of Recovery Fund (RE: replenishment) – Standing Item.**

Roger Wendt: Mr. Chairman

Chairman Ross Wait: Yes Sir, go right ahead

Roger Wendt: So we just heard that as of the last report that was \$860,000 roughly in the account and how much is pending approximately?

John Stahmer: I'm going to tell you right now, I'm sorry to cut anybody off, this sheet is wrong. There is a lot less money in here than shows

Roger Wendt: How much

John Stahmer: About \$440,000

Roger Wendt: Is our approximate balance?

John Stahmer: Yes

Roger Wendt: \$440,000 to date? Is what you're saying?

John Stahmer: Yes

Chairman Ross Wait: So if you're saying that there's approximately by the time, you're guess by the time this whole list gets through they'll be about \$200,000 left so we're down to what did you say?

John Stahmer: \$440,000

Chairman Ross Wait: \$440,000 so there's about \$240,000 out of this list so to speak that's coming forward is that, coming through the pipeline

John Stahmer: Yea

Roger Wendt: I think I read in the minutes that there's a \$200,000 trigger, per Rules once it drifts below \$200,000 this Board is required to take action according to without the Governors freeze it, at \$200,000 thousand we as a Board have some action that's mandated

Debra Blake: I think it has to do with when the renewal of licenses comes up for Dealers you can charge an additional fee to renew and that fee is dedicated to go into the Recovery fund to help it and I guess you just have to balance that again, the tough economical times do you want to asses another fee to a Dealer so, I think it's a \$50 fee, I'm recalling from memory so

John Stahmer: What is that?

Debra Blake: It's a \$50 fee to renew your Dealer license when the Recovery fund is below \$200,000 dollars

John Stahmer: If the balance remaining in the consumer Recovery fund A.R.S 41-2189 B) If the balance remaining in the consumer Recovery fund is less than \$200,000 a Dealer, or broker of manufactured homes, mobile homes, or factory built buildings designed for use as residential units shall when renewing a license for the following calendar year pay in addition to a renewal fee, a fee not to exceed \$50 for deposit into the fund, if the balance in the consumer Recovery fund exceeds \$400,000 the Board may relieve licensees of per unit

Debra Blake: It's a shell

Chairman Ross Wait: But that's frozen right now is that

Debra Blake: No, we have to its Statute; it's statutory that you shall

Chairman Ross Wait: So we will

Bob Barger: When the time comes we will

Roger Wendt: That's a pittance compared to the unintelligible however, it's still acting with some integrity

Chairman Ross Wait: One thing at the last meeting was that there was some optimism that perhaps the Retailer who was like an associated Dealer, I don't even know the name of the entity or anything else that and hit the Recovery fund, I guess that was House Mart or that one guy for like \$800,000 and that the source behind him providing inventory etc might step up to the plate and there was some anticipation that he might step in but in my opinion a man and his million

dollars are not easily separated, has anything happened in that regard?

Debra Blake: Yes

John Stahmer: It's still in the process of being worked out however; even if money is paid it will not go to the Recovery fund

Debra Blake: Right, we had Camila look at, we had two options, we were hopeful at the time I gave you the report that we might be able to get the Manufacturer involved and this third party who was not a licensee but was the parent company of House Mart as identified on here, to come up with the money to recoup some of the losses that entity that was not licensed applied for licensure here so that they could continue to do business and working with Dealers in Arizona, we sent them an offer of a consent agreement which basically approved their licensure, put it on probation so that we could watch what they were doing and required them to pay several thousand dollars back to the Recovery fund for their portion, their involvement in it once they received that consent agreement they pulled their application and said, we're not going to do business in Arizona so other than going after them through the AG's office or something there's really, that option is gone we don't have any leverage against them because they are not a licensee. The manufacturer through legal advice, any funds that we receive from them have to go into the General Fund under Administrative penalties and things like that, so any fines that we may charge them, will not get back into the Recovery fund. So optimism was good but, we're not going to be able to recoup the money.

Camila Alarcon: I tried to, I really tried to have the answer be different but the Statute is very clear that the amount that goes back into the Recovery fund has to be the amount gathered from the person or the entity that the litigation involves. You cannot go after a third party, I mean, you can through a consent but the funds that go into the Recovery fund are very very limited from where they could come from, they come from the fees and so forth and the litigation itself

Chairman Ross Wait: What sort of money were you looking at from the Manufacturer that obviously wouldn't come back to our fund but would go into the State fund? How much money would that would have been? Ball Park

Camila Alarcon: I don't know how much money they consented to

John Stahmer: Not much because we were drawing, grabbing at the straws to get to them to get them to

Chairman Ross Wait: Well they sold to

John Stahmer: The nexus became so weak to get them to cross hairs very, I suppose we could do, I don't know Camila, I don't think we can do anything else, I tried to extend things as far as they can extend I tried to convince Camila the other day that the counter clause applies to something that she said she was even embarrassed to even bring up to the Attorney General's Office but I tried to reach as far as things could have possibly reached but the nexus is just too thin to have a solid

Chairman Ross Wait: So if Jesse James was alive today he'd be in our industry, right?

Roger Wendt: I've been on this Board for a long long time and watching this Recovery fund, I would say that probably 70% or 80% of the hits on this Recovery fund are from entities that were set up in similar circumstances and all the parties were licensed

Debra Blake: I'm sorry

Roger Wendt: But a home that's there's a parent company over here that provides the flooring, helps the little local Retailers through the financing and this little local Retailer who's really on the hook, turns around sells the houses and in some cases are very reputable good people but they're typically not strong enough financially and so easy to get into the business that way it's easy in and easy out and again that's probably in my mind

Chairman Ross Wait: Bonding

Roger Wendt: 80% of our hits are from entities that were set up the same way so my question is, is there a way

John Stahmer: Anything else besides bonding

Roger Wendt: Rewrite the Rules and I don't know, I'm grabbing at straws now, it's just frustrating

Chairman Ross Wait: But again, like that Yuma Home deal that caused the fund close to \$300,000. Yes sir Neal

Neal Haney: I don't know if this is the time or place, I do want to express just a little frustration when I look at this Recovery fund, the question that I would have is over the last few months, The Department has allocated resources that, driving through communities, seeing if there's any home sales going on. Primarily directed at Park Owners, I guess my question is, if any of these losses come through mobile home sales in parks like Park Owners or is this outside entities that aren't being audited and maybe we can keep a closer eye on them, instead of spending our, sending our inspectors driving through parks taking down phone numbers.

John Stahmer: We'll stop that immediately

Debra Blake: I'm responding to part of that, and that is because the industry volume is down The Department installation inspections are down, we had inspectors that had time to do some things that they don't normally do, and we used some of that time to cross train and we also advised them that if you're in the Mobile Home Park and you're looking at an inspection for a home being installed why are they're drive through, what we're looking for is unlicensed activity.

Neal Haney: I understand what you're looking for, I guess what I'm trying to express is my frustration that we've got a million and a half dollars in losses here, is any of these from the types of activities that you're also doing while your inspectors are out doing other things?

Debra Blake: No because unlicensed activity can't get to the Recovery fund.

Neal Haney: Ok

Bob Barger: Mr. Chairman, as a point of order here, we're probably out of order on this, I think it's a point well taken and I think it's something that we will review but as far as where we're at



with the Recovery fund on the agenda I think that's the item we need to stick with. The point was well taken Neal.

Neal Haney: Thank you

Chairman Ross Wait: Coming back to this form could you explain to me I know I see that we've really all practical purpose collected on two of these \$25,000 bonds are all of these bonds being pursued?

Beth Soliere: Yes

Chairman Ross Wait: Every one of them?

Beth Soliere: Yes, and Bob has letters sent out to them and also follow up phone calls we've received responses from six of the companies so far and mainly what they're saying is that they're going to review it and get back with us.

Chairman Ross Wait: So coming here to Aurora Homes, never mind, I see what happened. So every one of these \$25,000 bond amounts are being looked at?

Beth Soliere: Yes

Chairman Ross Wait: Okay

Bob Barger: Mr. Chairman, just as a point of order some of the things that we've talked about is reviewing what the Registrar of Contractors does as far as setting limits, I'm not sure how we go about that, that would take statutorily change, a legislative changes, so that's going to take some action that is going to as we go through this year we can look at but it's too late to do anything this year with that.

Chairman Ross Wait: You mean to limit the amount of payout is that what you're saying?

Bob Barger: Yes, so to review what the Registrar of Contractors does how they set their bonding requirements and those kinds of things but again keeping in mind through the industry and everything else, that the folks that are damaged beyond what our dollar amount is set, they're on their own for that.

Chairman Ross Wait: You know one of the, having been a Retailer for many many years and other than that, one today one of the huge selling points at least I felt which helped to sell homes is listen no one's ever lost a dime as it comes to funds being misappropriate or problems that have occurred in our industry where if you have a home built through the Registrar of Contractors you know the max you can take regardless of the amount of your claim is \$30,000 then you have to go after them personally. I think it's been an incredible plus to have a Recovery fund that does this payout, I think it's great for our industry and I would hate to see us put a limit on it, I'd rather see us take the steps necessary to try to keep the people that do the things to the Recovery fund, out of the loop. That again comes back to bonding, and it's about the only leverage that we have and I would certainly support as I said at the last meeting, an increase in the fees that are paid out on a per home basis because that is really an insurance premium being paid by the consumer to go into the fund in case there's an unscrupulous Dealer out there, to keep this industry intact so I really personally wouldn't support some sort of limit on the payout I think we need to control the Retailers themselves in some fashion or other.

John Stahmer: I hear what you're saying, I want to say that, we're going to immediately reallocate any resources which we have to spend as much time on audits as humanly possible, as far as the other things we don't have a voice that can speak to that, if somebody can help us speak to the Governor's Office saying, maybe less of a cut so that they can get another auditor, let us increase those fees that type of thing, that's something that we need help with.

Chairman Ross Wait: Yea, no, that's, I'm glad to hear that, I'm looking forward to that because that's what needs to be done, I mean, in this state for instance when it comes to banking and now as troubled times for banking, I mean they have a perfect mechanism quarterly by the end of the 30 days after quarter, you have to put all of your financial information into a computer and send it to them and then sign all of these reports in. So they have a computer that keeps an eye on every bank and that computer soon as they fall out of line in ratios or this or that boy, you only get an audit every 18 months in banking but if your ratios fall out of line, they're there auditing and we can't do that in our industry but the point I'm trying to make is when things are

Tape End

Chairman Ross Wait: Alright, any other lips need to be chapped on the Recovery fund?

Debra Blake: Mr. Chairman?

Chairman Ross Wait: Yes?

Debra Blake: If you would like to go back to the monthly reports, the engineering report. If Jessica would hand them out, or already passed them out, Betty has updated it and corrected her totals and so if you look for the waiting corrections it's been updated that there were three for the month of November bringing it to 23 year to date compared to the prior year to date of 28.

Chairman Ross Wait: Okay, thank you. Appreciate that. Alright, any further discussion? Next item on the agenda, review, discussion, possible action regarding Rule changes.

## **VII. Review, discussion, and possible action regarding Rule Changes.**

Debra Blake: Bob already spoke about that to you earlier, there's a document Jessica will pass around that is actually the mandate from the Governor's Office, just for your information. And basically what it says is that any changes to Rules is on hold until at least April the 30<sup>th</sup>.

Chairman Ross Wait: Don't mess with this until we figure the budget out

Debra Blake: Yea

Bob Barger: Alright so there's really not even any discussion we can have on this

Debra Blake: No discussion but just a hand out for you

Neal Haney: We could discuss it, we just can't take any action as far as proposing any Rule, is that correct?

Debra Blake: Correct

Chairman Ross Wait: I know at the last meeting we had that discussion about increasing the fee we've already gone by that fee structure, we went by it as far as replenishing the Recovery fund from \$30 let me pick the number I sort of discussed several months ago was to \$150 I mean is that something we should have discussed because we're not going to meet again until May and so do we wait, and in May something could be done so do you wait until May and then as June or July to put something in, how should that be handled Bob?

Bob Barger: I apologize, in regards to which fee?

Chairman Ross Wait: Let's go back to the you know the \$15 fee the per home fee that goes into the Recovery fund which right now the cap is \$30 has been \$30 for 20-30 years whatever it is what I have at least I remember me mentioning I think what we ought to do is have the ability to go up to as much as \$150 or \$200 whatever that number is and you could flux it up and down, you have it up to, like right now I think it can't exceed \$30 you know and just take a look at that cause it hasn't been raised in many many years is that something you can discuss now? We can't approve it, can't do anything but should it be a discussion saying that's what we'd like to do in May?

John Stahmer: Camila?

Bob Barger: I don't think we can discuss that right now, it's not on our agenda for that particular way that it's stated

Chairman Ross Wait: Isn't that a Recovery fund issue?

Debra Blake: It's a Rule change. We have a Rules package that we had already submitted to someone to help us move that process through, I guess the good news and the bad news is, she hadn't gotten far enough with it to submit it, so there was nothing to pull and as indicated in there. But we do have it and I've had some discussions with her about lets continue to work on it so that we've done whatever reviews we need to do here, so it's ready to go and when the Governor's Office comes back and says okay it's open for submittal again, we're ready to move forward so to that end I think anything that you would want to discuss that would help us prepare we can certainly give to her to include in the Rules package.

Chairman Ross Wait: So what items that you were ready to submit, anything that affects this Board particularly?

Debra Blake: Well most of it was clarification obviously the fees were not part of that because you hadn't voted on anything for that so that's something we could do, the other main things Bob's already talked about is that we would have to adopt the HUD codes, we're unable to do that at this point and we would also wanted to update the international residential code to 2000 and we were going to update it up to 2006 and we may do 2009 at this point, so those were the major changes and I think most of the rest of it was clarification I think there was a change for rehabilitation for Mobile Homes, to bring them up to HUD codes so, if you have something you would like to do with fees and you would like to discuss it today, we could incorporate that into the Rule package change that we're currently working on.

Bob Barger: As that relates to Recovery fund, is that what you're talking about?

Debra Blake: Any fees

Bob Barger: Oh ok

Camila Alarcon: Is it on the agenda?

Debra Blake: It is, Fee Structure and Rule changes

Chairman Ross Wait: And Recovery fund, I mean they all are. So coming back to a question, I'm just picking a number out of the air, so if we said come May 15<sup>th</sup> we'd like to raise the fee to a \$150 dollars, and we voted on that and approved it could that be done?

John Stahmer: No

Debra Blake: Camila

Camila Alarcon: I'm looking to see whether or not the Board has the it's under A.R.S. 21-4404 A4 establish a schedule of fees. When I read the Statute the Board has the ability to establish a schedule fees it's not, unlike the rest of the Statute it's not required to adopt the Rule if it's not required to adopt the Rule then it doesn't have to go through GRRC or anything, you can just establish a schedule of fees just exactly what it says by Board action, at a Board meeting.

John Stahmer: Camila but 41-2190 it's in Statute where

Camila Alarcon: Is that what you, of which fees?

John Stahmer: Consumer Recovery fund

Camila Alarcon: Okay,

John Stahmer: Where it says that

Debra Blake: It says the cap is \$30

John Stahmer: Yea it states 41-2189 funding and assessments a) the fee is payable ok um,

Debra Blake: So that's a legislative change

John Stahmer: In addition but, a fee established by the Board of not to exceed \$30 so it limits the Boards

Camila Alarcon: Oh okay on 'A'? Yea

Chairman Ross Wait: So wouldn't that go through Rule change?

Camila Alarcon: No it goes to the Legislature

Chairman Ross Wait: So that means, nothing's going to happen this year? It'll be at least a year out before it'd even be looked at, so there's no rush

Neal Haney: Well we probably no rush immediately, but something we probably want to address in the May or following meeting because anything that's got to be done statutorily probably needs to be in process by November.

Chairman Ross Wait: So we need to make that a topic of discussion for our May meeting?

Neal Haney: That'd probably be a good idea

Chairman Ross Wait: Alright, any other discussion regarding Rule changes?

Roger Wendt: I maybe had a question, maybe it doesn't need to be asked today part of that Rule change is adopting the national HUD code is that correct? Part of that is the installation including the drainage for the homes and I had somebody ask me the other day, I deal with Installers, I'm not an Installer but I deal with a few from time to time and one of them pointed out that they thought that the HUD standards, the standards that HUD came out with for national basis were primarily applicable to states that did not have an agreement with HUD and therefore did not necessarily apply to states that had an agreement with HUD and they could set their own standards within that state. Is that?

Debra Blake: Well that's kind of true

Bob Barger: It has to meet or exceed the HUD standard

Debra Blake: The State Statutes have to at least meet the federal requirements we can exceed, which we have done. One example is the federal installation code says that all new manufactured homes have to be anchored. Our Statutes say all homes. New or used have to be anchored so, the requirements for the HUD administered states, the feedback you got is correct, they're pretty stringent like their Installers have to post a million dollar bond, our Installers post \$1000 or \$2500 I mean it's very minimal.

Roger Wendt: Well if you say that ours have to meet or exceed those how do we not need to exceed that?

Debra Blake: Well, that's, because there's certain requirements in their Statutes that are identified as specifically for HUD administered states and then there's other parts of the Statute that apply to everybody. So the bonding one is only for HUD administered states.

Roger Wendt: Okay

Neal Haney: We have a state agency that HUD approves and so HUD does not directly do it

Debra Blake: Right we've been certified by our installation program in Arizona has been certified by HUD, as being an acceptable program for our state. So, we report to them but they don't oversee it, we over see it.

Neal Haney: Okay in view of these no new Rules or anything else HUD has a standard on the drainage, the State does not.

Debra Blake: The State does

Neal Haney: It's the same as what HUD was, or is?

Debra Blake: Well, I guess the history lesson as I understand it is, Scot Butler is certainly much better at this than I am, Bob help, and Chuck if you. Several years, and I say it's at least 5 years ago, HUD made the announcement that they were going to create a federal program for the installation of Mobile Manufactured homes so they presented some materials about that included drainage, soil compaction, anchoring and a whole range of things, Arizona received that information and was very proactive about it, wrote it into Statute created it in Rule, so it's already been in ours for a long time. Then HUD took a step back and said well, we're not quite ready to do this yet because they knew they would have to administer it in several states and weren't prepared to do so. So it's been in our Statute and our Rules for all of that time but because HUD took a step back, the State took a step back as well and we didn't enforce it. So it's already been written there, then when we developed the program, we got certified we started rolling it out last October, made a few changes for consumer protection and then January 1<sup>st</sup> rolled out the final implementation of it, and so, beginning January 1<sup>st</sup> of this year we basically took our Statutes and Rules as they exist and began enforcement on the them. Did I, do that? So that's the history.

Neal Haney: Okay

Roger Wendt: Excuse me if I may, what's going to affect the parks Neal is grading.

Neal Haney: No, it impacts a consumer, it's just like if someone wants to bring in a ground level home the Installer does the excavating and that cost just passes on to the consumer.

Unintelligible because of the home coming in that's going to be done by the Installer the cost is going to be passed on to the consumer

Roger Wendt: but that cost is still for your Consumers, I mean, it's going to affect your Consumers and a lot of rental communities that we do work in were never designed to have water runoff get away from the house so in some cases it's going to be rather difficult to rent a space and get a home installed on it properly.

Neal Haney: Well there's alternative ways of doing that, I'm not sure what that language in there means, and you're right and certainly that's one of the things I guess I have about any kind of a national code is that everything you know you can require all homes built to have a snow load of 40lbs per square foot but it seems silly in Mesa to do that and so when you start requiring homes to have a certain amount of drainage when we're talking about living in a desert that doesn't get 7 inches of rain a year you know again it seems a little

John Stahmer: Arbitrary and capricious

Chairman Ross Wait: Except in Yuma one day I saw 5 ½ inches in one hour

Neal Haney: Right. And that drainage required wasn't going to help

Chairman Ross Wait: Here's a weirder one, in August one day it got dark, and pitter pattered like crazy and in an hour and half we got about 3 inches of hail on the ground.

Neal Haney: Those do happen on occasion

Roger Wendt: However, in my opinion even in the desert the worst thing you can do for a support system underneath the home is let it get wet

Neal Haney: Sure, absolutely there would be some drainage but like I say it's going to be difficult to get that 10 feet from, you got two homes side by side, it says 10 feet out it's going to be this way and it's not necessary

Roger Wendt: I guess you as the park representative I just wanted to, you need to get the word out to your people that change has come and your Consumers and your Installers working in your parks are going to have to deal with it.

Neal Haney: You're absolutely right, yep

Chairman Ross Wait: Alright, next item on the agenda is the education program

### **VIII. Review, discussion, and possible action regarding Education Program.**

Debra Blake: We have a couple of handouts for you, just some updates on primarily the Installation Training. The one hand out that looks like this says update on Arizona's new Installation Program, is based in our training so we just wanted to share it with you not sure there's much discussion other than what Camila and Roger already had, but some of the changes are just outlined here for you so we wanted you to have that, but the second document is similar and with regard to Installation Training that we have scheduled in 2009 this form is two sided so if you look at the back side we have scheduled training sessions throughout the year which is the same training that you approved previously at a Board meeting. Where the State is going to provide the training about the changes what happened with the Federal program what the State's incorporated what they're required to do so we'll be offering five of those this year and that's the one where the State charges \$100 if you're an Installer because you're required to have the training, if you're a Dealer, if an Installer who have staff who works for you but is not licensed or works under your license we encourage them to come but we're not charging the fee for that. The other document that was in your packet is in draft format, I should have wrote draft all over it so, just for your information it's draft but here's kind of the things that we are thinking about in terms of developing a policy on this education and some options, so I'd like to just go through a little bit of it and then open it up for questions and discussion. So, initially, according to the new requirements any individual who holds an installation license from us is required to have a minimum of 12 hours training. So this is the initial, so every current licensee has to have 12 hours training, on installation of homes, or that has to be specifically on Federal requirements, the rest of it and more importantly what you're required to do in the State of Arizona. The next piece of it is, for those applicants that may come to us and may want to apply for an installation license, they're going to have to have some experience, and that's outlined on the bottom of the first page for you and that would be, they have to have three years experience already working, so it could be somebody working for Roger already who's decided to now have their own license operate their own business so that would be considered, three years experience as a manufactured home inspector, so they could be working for us, they could be working for one of our local jurisdictions that has a partnership with us, and the last one is that they have a combination of college education and construction related fields, and some experience. And so the next page then talks about the required training for an initial applicant they have to have at least 12 hours training, and that first little table shows you what we're thinking about at this point. The DFBLS Installation Training is what again we charge the \$100 for, that would give them 6 credits we want to develop this so that they can download the presentation from our website so they don't

have to attend if they're in a remote area, they can learn the materials, we've prepared test, where they'd have to travel to the office so we know who they are and have a driver's license so that we know that that is the person, and they could take a test just to validate that they've learned the information that's contained in the presentation. So looking at that as an option, we're not quite there yet. A couple weeks ago, Manufactured Housing Institute had their winter conference in New Orleans and I went to that and Bill and I, Bill Trottier and I were able to talk with the education group who works very closely with an individual you may be familiar with, George Porter, who's well known throughout the country in the training and certification he gives to installers, so he works with the institute and they have sent me the information they would be willing to provide this training, it's an online training course, you take tests, and then you get certified in it. It's about twice the fee that we're charging it's \$195 and \$30 of the fee would come back to The Department to put into the Training Fund. So that might be an option just looking at 12 credits for that because of the cost of it and the investment of time to have to study those materials and complete that. Then the last one is and again, this is for an applicant, this is for an applicant coming in, we would give them 3 credits for any college level courses that they had completed that had to do with plumbing electrical, reading blue prints any of that that would be directly related to installing a home. They'd have to have a passing grade of C or above and so that's the options that we've come up with so far on how they can acquire that 12 hours of initial training to be licensed.

John Stahmer: I want to interject one thing really quickly; I'd like to just take this opportunity to thank Ken Anderson on the Arizona Housing Association for helping sponsor Debra to go to that conference.

Debra Blake: Yes definitely

Chairman Ross Wait: So these courses provide the 6 credits, each one of these do? Is that correct?

Debra Blake: Yes that's correct and those are the ones that we charge the \$100 fee

Chairman Ross Wait: So this gives you the 6 credits so, where do you get the other 6?

Debra Blake: Per applicant

Chairman Ross Wait: No, if you are a current licensee

Debra Blake: Okay you're moving ahead for me, so that's good

Neal Haney: Follow up question on what you're asking on this, some of these appear to be 8 hours and some of them appear to be 4 hours it doesn't matter, you get the same credit whether you attend an 8 hour one or a 4 hour one?

John Stahmer: No you need a total of 8 hours, I whispered to Debra 12 I was wrong with that, see we need to go to separate 4 hour classes

Neal Haney: So it's a \$100 but you can go to the 8 hour one or you can spend \$100 twice and go to two 4 hours one.

Jessica Chapman: No I think what happened here, is actually they were going to be two classes and they weren't split on that sheet.



Chairman Ross Wait: So these aren't 6 credits each?

Debra Blake: They're 6 credits it's not based on hours

Chairman Ross Wait: I understand but

Neal Haney: Each of these classes is

Debra Blake: Worth 6 credits, 6 education credits

John Stahmer: Okay Debra the question is why are some of them 4 hours and some of them 8 hours and you're giving the same amount of credit for each class

Chairman Ross Wait: So I go to Tucson from 9-3 and I get 6 credits or I go from 9-5 in Phoenix which is 8 hours and I get 6 credits?

Debra Blake: I think and Chuck help me with my memory here, I think the shorter classes here were geared for IGA partners who don't have to be certified so it's local jurisdictions who do the installation inspections under agreement with the State I know that's the one in Flagstaff

Bob Barger: We need to make that clear on this then

Neal Haney: You got a 9 - 1 a 10 - 2 a 9 - 12

Chuck Kisseberth: That's nothing more than reserving the room for that amount of time

Jessica Chapman: The 9 - 5 is the am/pm so what we need to do is just correct this.

Chuck Kisseberth: That's reserving the room

Jessica Chapman: I understand that, I'm asking if the 9-5 is because we were supposed to hold an am and pm class because I'll make the adjustments

Chuck Kisseberth: Yes

Jessica Chapman: Okay, that's all. The longer classes are intended to be two classes and I didn't split them on there.

Chairman Ross Wait: So that needs to be broke out a 9 - 12, a 1 - 5 and then, put the credits earned for each one of those along side of it so that it's clear what we're doing

Debra Blake: And typically what we've found out is that we scheduled it for four hours then sessions have lasted up to six, it just depends on who your audience is and how much question answer interaction there is and so I guess the question, from your feedback is how do we quantify that, if it's a four hour session and it ends up being six and the content of the information, I mean I'm not sure how you quantify that.

Roger Wendt: Before you get to that, let me go back to what we were talking about earlier and you said that there's some things and this is basically coming out of the national HUD?

Debra Blake: Part of it, yes

Roger Wendt: Right, and part of that the State has latitude in what they, or how they can afford that, for instance the bonding the States don't have to because it's not HUD administered but the drainage you have no latitude in does the State have then latitude in deciding the three hours of class is equivalent to 6 credits?

Debra Blake: Yes

Chairman Ross Wait: So, if you go to this class and you get the 6 credits, any one of these classes, get the 6 credits does that include the 4 relative to the Federal installation standards?

Debra Blake: Yes

Chairman Ross Wait: And so, come to me for instance I-10C twenty years worth of license I know I have to take a six hour course, is that correct?

Roger Wendt: You have to have 6credits

Chairman Ross Wait: I mean 6 credits is that the only thing I have to do? Is the 6 credits in a years' time? So it's the initial applicant that has to have 12, and somebody who's already established has to have 8 so I come to one of these and get my 6 where do I get the other 2?

Debra Blake: That's going to be on your next page

Chairman Ross Wait: Oh, ok

Debra Blake: So now we're moving into, this is just for 2009 so you already have a license, and so I'm sorry it's not by page but the page I'm looking at starts at the top by saying training requirements by October 20<sup>th</sup> 2009, is that what everyone's looking at? So, these are all the options and again this is the initial education requirements for people who currently hold a license, Clayton offered a factory trained Installer course in September of 2008 if you attended that and you're on their sign in sheet it's as comprehensive as ours it included 4 hours of a federal info, it's worth 6 credits. There was no fee for that, so if you did that and you can show us proof that you did that we'll give you a certificate. Our training that we've talked about is a second one there, also content is worth the 6 hours, sorry the 6 credits. When we move to the 2000-2006 or 2009 international code we're going to provide a presentation, a little mini seminar on that, will probably worth 2 credits. Important information to have. There's a lot of valuable information discussed at the Arizona Housing Association Chapter meetings Betty and I were invited guests for one last night the whole topic for two hours had to do with installation and questions and so encouraging licensees to attend those so they get information, do some networking we would provide, that would earn them two credits. The course that we talked about online, I don't know about these credits, I think on the other we said 12 because of the costs, so we need to look at that, just some other ideas, if you attend conferences, winter meetings, in April there's something coming up in Las Vegas that has to do with the industry give some credit for those hours or any factory trained Installer course, Clayton, or some of the others may come up with some additional courses so again just this is draft just throwing so ideas out there. So this is for 2009 you need a total of 8 hours of training.

Neal Haney: 8 credits

Debra Blake: 8 credits thank you, 8 credits have to be earned in 2009 and so most people already have 6 because they've been to one of the session or they've been to Clayton and ours so they've done 12 so they're done, after that for any renewal applicant, so you're already licensed your license has come up for renewal we're requiring 3 hours of training per year, the Federal Government under their HUD administered states requires 8 hours of training every three years, because they renew every three years. Arizona renews every year so we're trying to be consistent we're requiring 3 which over the period of three years would be 9, and those kind of courses are on the next page and those could be again, we'll probably develop some training that is frequently asked questions, trends information that we receive throughout the year to update everybody again they can attend Arizona Housing Chapter meetings there could be some seminars there could be some conventions so, different ways to earn that. So we look for your feedback and input as to what you think on here makes sense what doesn't so

Chairman Ross Wait: Roger

Roger Wendt: It's going to be a little bit of a tough animal to administrate from my perspective. The licensee, my license renewal date is, whatever it is, oops forgot to get the training, didn't get it in time or I can't document it properly I come in to renew my license, you refuse, my license expires, I'm SOL. I mean, there's going to be situations like that coming up that I'm suggesting you think that through in a way to inform licensees okay your license renewal dates coming up in 60 days according to our records you only have 2 hours of training, you need 3, you know things like that that are going to be more administrative time.

Chairman Ross Wait: John

John Stahmer: In my particular field I know that it's based pretty much on the Honor system, you know if you know when it's up, you know it's due, I don't know Ross if you have similar experience with that but, if it's not monitored, I mean, no one is babysitting you I guess the point is here if your professional you'd better do the honors or you're breaking your own ethical code.

Chairman Ross Wait: Well in the Real Estate industry somewhere roughly 90 days ahead of time, they send you an email, saying you have until, in my case March 31<sup>st</sup>, 2009 to renew which includes 24 credit hours so I get 8 a year.

Bob Barger: And I think that's what Roger is saying how can we implement something to where at least you know if it was an oversight, if you attended or not

Chairman Ross Wait: They have a great management tool, and it's something to look at and I don't know if we're even close to being there, in the Real Estate industry but they're dealing with a lot of licensees, you do everything online, you renew online, you do everything online, all of the sales people, brokers you can go in any day of the week, you put in the courses you take, you can look at it it tells you anything you need, it has a self audit you go through and do and at the end of it if you've got all the hours in you put your credit card in and boom it pays the fee and you're done with it, but it keeps you on top of it, it keeps all of your hours right there, I mean it's a great great tool. They don't call you, they don't send you a letter, they don't do anything you just get it via email. They send out 2 emails during that 90 day period. But, coming back to this so, me like Roger, long term licensee, I need 8 hours this year. So one of, credits this year, so one of these will give me the 6 credits so now, where do I get the other 2?

Debra Blake: Now you either have to attend an Arizona Housing Association Chapter meeting

Chairman Ross Wait: 3 of them?

Neal Haney: 3 of them

Debra Blake: One is worth 2 credits.

Neal Haney: That's not what it says, that's not the way I read it

Debra Blake: Ahh, attend 3, thank you it's been a long time since I drafted this. So you attend 3

Chairman Ross Wait: Three Chapter meetings?

Debra Blake: Three Chapter meetings, and they're held, monthly so sometime, three times this year, if you attend 3 sign in on the sign in sheet and have your Chapter send us a copy of that or get a copy, provide it to us that's your 2 credits for the remainder. There will be a session sometime this year on the international codes that's worth 2.

Neal Haney: Or we can attend two of these

Debra Blake: Well, I'm not sure you'll get much benefit from that because you're going to hear the same thing twice.

Chairman Ross Wait: Two of what?

Neal Haney: Two of these

Chairman Ross Wait: Oh two of those

Neal Haney: Take both; take the morning session and the afternoon session

Chuck Kisseberth: You'll get tired of listening to me by then

Chairman Ross Wait: Okay, one thing I was really confused when I went through the minutes, I mean we went back and forth a bunch and I'm saying confusion on both sides. I'm a sales person; do I have to do this?

Debra Blake: Nope

Chairman Ross Wait: I'm a Retailer; do I have to do it?

Debra Blake: The only person that has to do it is the Installer, but we really encourage Dealers to come and hear the information because most Retailers include the installation as part of the purchase contract so you need to know what's going on but, anyone can attend for free. If you're an Installer, you must come and you must pay \$100 to get your certificate.

Bob Barger: Through our training, there's other avenues to get the training

Debra Blake: Right

Bob Barger: So keep in mind, this is draft, so we're trying to put this together

Debra Blake: Right

Catherine McGilvery: Do you have a curriculum that you have to follow?

Debra Blake: For the session that we provide?

Catherine McGilvery: Or for any of these sessions, is there a set curriculum, or?

Debra Blake: Well, yes

Chuck Kisseberth: I think if the Dealers were to take this and pay their \$100 and get their certificate as well as the Installer; they would have that one their wall, showing the consumer that their up to date on all this new or you can pay the \$100 and get the certificate

Debra Blake: Right, that's what we've communicated, it's available to you for free, if you think it's helpful for you in these tough times, and you think it might make Consumers have a greater level of confidence in you we're happy to give you the certificate we'll have to charge you \$100 for the training, and the certificate but it's not required that you get a certificate and pay.

Roger Wendt: To your question Catherine yea, I don't know if Chuck and Betty put that booklet together but it was really well laid out, processes and major problems, their curriculum was very good.

Catherine McGilvery: And you get the 6 credits?

Debra Blake: Yes

Bob Barger: We'll pass the certificate around so everybody can take a look at it, this is what we issued.

Jessica Chapman: This is just one that I happened to have.

Roger Wendt: So can I get credit for coming here?

Chairman Ross Wait: I was about to ask that questions too, if I come to three of these meetings

Debra Blake: No

Chairman Ross Wait: So okay

Roger Wendt: Excuse me, may I Mr. Chairman

Chairman Ross Wait: You may

Roger Wendt: You know one suggestion we have on our tests for the installation license is a business section of that test correct, so may you guys want to consider, maybe not this year but next year, having some portion of those, of that on your training program also. Suggestion

Chuck Kisseberth: Business Section?

Roger Wendt: Yea

Neal Haney: Would it be beneficial if they were to put together a program where you get all 8 hours in a single day?

Catherine McGilvery: 8 credits

Neal Haney: 8 credits excuse me

Roger Wendt: I think so

Chairman Ross Wait: I was thinking the exact same thing

Neal Haney: Incorporate some of the other things that Roger is talking about into the what you have already got so that they can get all 8 credits, so instead of losing two days worth of work. You're going to lose a day of work a

Chairman Ross Wait: Especially if you're from out of town you've got to drive to Phoenix and back twice, you know

Debra Blake: Sure

Chairman Ross Wait: Where if you just go somewhere and just get all 8 and be done with it, that's what I'd do

Bob Barger: We'll certainly look into all those

Debra Blake: Thank you.

Chairman Ross Wait: Okay does that cover the education program?

Debra Blake: Yes sir

Chairman Ross Wait: Alright, next review, discussion and possible action of the relationship of the Registrar of Contractors, licensed contractors who perform installation work

**IX. Review, discussion, and possible action of relationship with Registrar of Contractors licensed contractors who perform installation work.**

Bob Barger: I think we need to do more research on that because what we wanted to do is just comment what the new HUD standards say and everything else and what the registrars are doing for their Installers. Roger you may be able to answer that more than us, if there's a particular section through the registrar of contractors that allows you as a registrar of contractors to install manufactured homes? Is that tied to the new HUD standards?

Roger Wendt: That's a really good question

Bob Barger: That's what our research needs to be

Roger Wendt: My perception is that the license I hold through the registrar allows me, to do anything on a manufactured home but it specifically states, I can't do electrical or plumbing.

Chairman Ross Wait: You have to sub contract that

Roger Wendt: So I have to sub contract that

Chairman Ross Wait: Exactly

Bob Barger: I think we need to do a little research and bring it back to the Board at our next meeting to so everybody across the Board if their just licensed through the registrar that they're still being held to the same standards that we would require through our agency.

Chairman Ross Wait: That's really patchwork I mean here I uphold commercial and residential contractors and have manufactured home though I could do it, really, under my other and then California they don't even have an Installers license, and they don't have a commercial they just have a Contractor's license that lets you do anything, including manufactured homes. Alright, I believe the next discussion is John the 95-105% provision, which was waived

**X. Review, discussion, and possible action regarding the 95/105 percent provision.**

John Stahmer: Yea, we're at 89.9% we can't raise the fees anyway, so next

Chairman Ross Wait: Great, next item possible action regarding the education grant for Arizona Housing convention. The education fund may as well fall under the Recovery fund. Any questions, any thoughts?

**XI. Review, discussion, and possible action regarding education grant for Arizona Housing Convention.**

Catherine McGilvery: Okay refresh my memory now, this, these grants come from the interested earned from the Recovery fund?

Chairman Ross Wait: Correct and then that goes into the education fund and then those funds are used for these sort of things

John Stahmer: 75% of the prior year's interest can be used for educational type things

Catherine McGilvery: So how much do we have?

John Stahmer: \$10,000 no I'm sorry 75

Neal Haney: \$6000

John Stahmer: That was '07-'08

Neal Haney: As of December of '08

John Stahmer: '08-'09 it earned \$10,068 so 75% of that, I didn't do the 68 approximately \$7500 which I wonder who the Treasurer is investing with because at least they had positive number this year, compared to

Catherine McGilvery: That interest is taken out of the Recovery fund and put into a separate fund?

John Stahmer: Well its interest that's earned up

Catherine McGilvery: Or do they include in the full in the, amount in the Recovery fund?

John Stahmer: It's actually, it's in the Recovery fund, it's not actually taken out of the Recovery fund, there's a line item that says it's education fund, within the Recovery fund and what it does is it just tracks what percent, it just tracks what interest has been made on the total amount in the Recovery fund and then 75% of that interest from the prior year can be used for educational grants

Catherine McGilvery: Okay so that \$10,000 though is included in the final balance of the Recovery fund?

John Stahmer: Yes

Chairman Ross Wait: So it's just included in the Recovery fund and it's allocated that that portion of its available for us?

Chairman Ross Wait: Yea it says \$16 thousand something, the December 31<sup>st</sup> one that you handed to us here, which said \$13 thousand on the November one.

Neal Haney: You have interest earning

John Stahmer: Thank you Neal, I guess that

Neal Haney: So \$16,147

John Stahmer: Yes that the remaining balance is \$12,112 approximately

Neal Haney: Approximately

John Stahmer: No?

Chairman Ross Wait: I wouldn't think so; I mean I've always understood that that's the portion after the allocation, everything that's available isn't the whole \$16,000 available?

John Stahmer: What was that?

Chairman Ross Wait: Isn't the entire \$16,000 of December 31<sup>st</sup> showing

John Stahmer: I don't know, I'm going to be completely honest with you and say, I don't know because last year and I really don't know how to answer this question. I'm going to ask for your help with it because the Statute says '75% of the prior year's interest' which was \$10,068 however, the remaining balance which was always been carried over has continued to be carry over and that's \$16,147 so that means in certain years 75% of the prior years' interest has not been used so that's just, that's \$6070 is just a reflection of the carry over that wasn't used in previous years, so I don't know if that \$6070 can actually be used or not, because that \$6070 is not actually part of the prior year's interest, 75% of the prior year's interest

Catherine McGilvery: Okay is that, so it's just 75% of the, just the interest earned last year?

John Stahmer: Yes

Bob Barger: Correct



Catherine McGilvery: Not cumulative?

John Stahmer: Well that's what I don't know

Chairman Ross Wait: So you're saying it's not clear?

John Stahmer: Well, I think it's clear actually, I think it's 75% of the prior year's interest which would be the \$10,068, however, there's \$6 thousand and some odd dollars that could have been used in previous years that wasn't used

Chairman Ross Wait: Well, we've never looked at it that way, never treated it that way. This is the first time we've had this discussion to my memory, and I don't know, I look to you for those answers

John Stahmer: To me the Statute is clear, but since we've always done it this way, I kind of figured that maybe

Neal Haney: I think what our assumption was that once it's been allocated to the education fund, it is in the education fund.

Chairman Ross Wait: It's there to be spent, the 75%'s already been calculated and if there's a carry over and it carries over and that's the way we've always operated

Chairman Ross Wait: Bill?

Bill Trottier: Yes Mr. Chairman, I think there's some good news and some better news, I think the good news is that if the interest is there and is now transferred over to the education fund, we don't have it, when John came, he saw this he transferred for two years in a row, the interest and yea now we've got a balance of \$16,000 so that's the good news

Chairman Ross Wait: Yea, no I agree, that's real good news

John Stahmer: So the question still is

Chairman Ross Wait: It still is

John Stahmer: Is it \$10,000 or is it \$16,000?

Camila Alarcon: I think its \$10,000; I think it's really clear, the Statute doesn't require you to have a separate fund

John Stahmer: No, and we don't have a separate fund

Camila Alarcon: So it's just based on whatever 75% of the previous fiscal years interests' on the consumer Recovery fund

Chairman Ross Wait: And that's it?

Camila Alarcon: Unintelligible, may be expended by the Director with the approval of the Board, yes, and you're not even required to

Chairman Ross Wait: So if there was a carryover from the year before that we didn't use it's gone?

Camila Alarcon: Yea, and of course there's going to be a carryover from the year before because there's always at least that 25%

Chairman Ross Wait: Yea

Camila Alarcon: And it's not a separate fund it's just the interest that was earned so you can allocate up to 75% of the \$10,000

Chairman Ross Wait: On a per year basis though?

Camila Alarcon: Fiscal year, yes

Chairman Ross Wait: So if I earned, if it earned \$10,000 this year, there's \$7500 that could go towards, I'm using this for easy arithmetic that could go for education?

Bob Barger: Yea

Chairman Ross Wait: Now let's say we allocated \$5000 of it so of the \$2500 we didn't use and the next year comes along and, do we lose that?

John Stahmer: I think that the \$2500 is added back into the balance of what the relocation fund is then the interest earned on the \$2500 could then be used but I think as far as the \$2500 is concerned I believe that that's lost, it's just in the Recovery fund

Bob Barger: You don't lose it; it's in the Recovery fund

Chairman Ross Wait: Shouldn't we report this some other way then, so it makes sense?

John Stahmer: Yes

Camila Alarcon: And it's by fiscal year, not calendar year

Bob Barger: It's always been reported that there's been a running tab on it, but it's not a running tab, so what we will do is eliminate the running tab, and say what you have available as the Board to issue for educational programs is 75% of whatever the previous year's interest was

Neal Haney: Okay so this number here that says \$10,068 for fiscal year '08-'09 that shouldn't even be in there then?

John Stahmer: No, that should be there

Bob Barger: That's the one that should be there

Neal Haney: But that, the interest earned in fiscal year '08-'09 will be available the following year?

John Stahmer: '09's already ending

Jessica Chapman: July 1

Debra Blake: We're in '09

Chairman Ross Wait: You talking fiscal year

John Stahmer: Yea, fiscal '08-'09 is over

Jessica Chapman: Is July 1

Debra Blake: Into June 30<sup>th</sup> of 2008

Chairman Ross Wait: Yea but '08-'09 is not over, '07-'08 is over, we're in '08-'09 cause June 30<sup>th</sup> 09 is not here yet

Bob Barger: We're going to research it because I would believe it because this would probably be more of a calendar year

Chairman Ross Wait: I just gotta bark this out, I know I've had discussions about this before and you know

Neal Haney: It says fiscal year

Camila Alarcon: Yea, we're in fiscal year 2009 right now

John Stahmer: Just cross off the '99-'09 its '08, we earned \$10,000 in interest

Bob Barger: We've earned this; up to this point is what's been earned

Neal Haney: But this fiscal year's education fund is based on the interest from the prior fiscal year, the prior fiscal year it says here was \$15,679

Bob Barger: That's '07-'08

Debra Blake: The last entry on here that says 2008-2009 is actually fiscal 2008 so, right?

John Stahmer: Yes

Neal Haney: I'm just growing more and more frustrated

Catherine McGilvery: Our fiscal year, your fiscal year runs from July 1<sup>st</sup>

Debra Blake: To June 30<sup>th</sup>

Neal Haney: So what you're reporting here, okay in November the report that was up there for November had a different, it said \$7 thousand, I think 888 and now in December you're saying the prior fiscal year \$10,068 I don't think that's right either

John Stahmer: You just answered the question, so there's \$15,679 and that's it

Roger Wendt: And that's the way it is, we can spend up to 75% of that

John Stahmer: Out of the 75% of the \$15,679

Roger Wendt: So we've got around \$11,000 that we can spend before the end of this fiscal year

Bob Barger: But keep in mind that it's a lump sum total, like Neal says so whatever you take out of that actually comes out of the Recovery fund, if you don't take anything out of that it stays in there. So in the education side of it, which I think is very important that we support that, that there

is plenty of money in there to support this grant, it's up to the Board whether they want to grant any applications for educational funds or not

Chairman Ross Wait: Well, that brings us full circle back to this \$5000 request, shall we discuss that rather than accounting practices

Neal Haney: We just need to know how much, you know and it appears that we do have at least \$5000

Bill Trottier: It was a conservative request Mr. Chairman

Chairman Ross Wait: Anyone willing to make a motion?

Neal Haney: I move that we do it

Catherine McGilvery: Yes

Chairman Ross Wait: And you second that?

Catherine McGilvery: I'll second it, yes

Chairman Ross Wait: Any discussion? All those in favor say I

Neal Haney: I

Catherine McGilvery: I

Chairman Ross Wait: Any opposed?

Roger Wendt: I would just like the record to show I abstain because I'm an officer of this Association

Chairman Ross Wait: Okay

Neal Haney: That leaves us approximately \$6700

Chairman Ross Wait: I just got to say this I'm sitting over here biting my tongue and I just can't do it anymore, I need to make just a couple comments regarding what we've just discussed and the Agenda today, I find it incredibly frustrating I'm a member of a number of Boards and typically the information that's provide to me if it's graph form that's one thing, something that's a work in progress that's another but you know, I mean I've peered on this Board for years and here's this number and I appreciate you finally figure out and the Board figures out what that number is, and then you know oh this one is totally wrong and this one needs to be corrected an you know this one over here isn't correct, I mean somebody needs to take pride in ownership of this organization someone needs to take a look at these forms so the information provided to this Board is correct and accurate so we can make intelligent decisions

John Stahmer: I think you're exactly right, I'm sorry Chairman, I am not going to make many excuses I had a family emergency, I guess I tend to have one about every year that I've been dealing with the last couple days, I haven't looked over this nearly as closely as I should have especially with the financial stuff I just Hodge Podged and rushed it together, as far as everything else I wrote Debra a note saying I'm really pissed I can't believe this is still going on this is

ridiculous and I was going to ask what the selling points are that you want us to take away from this meeting because, I feel was a complete disaster and an embarrassment and I personally feel responsible for this and am extraordinarily disappointed, it's probably one of my poorer showings in my life

Chairman Ross Wait: Thank you, I appreciate those comments and I certainly would like to see us receive correct information in the future, someone needs to double check this someone needs to need to take a look at it, you need to double check we need to be provided with accurate information or why even have a Board period

Bob Barger: Point well taken

John Stahmer: What, just in summary we talked about a lot of things today for an hour and half, what would you say are the three things

Chairman Ross Wait: Two hours

John Stahmer: What are three or four things that you want us to address?

Chairman Ross Wait: First and foremost, it's just accurate information, you know, no this shouldn't be a million five this should be four hundred thousands you know and go what? How much is in the Recovery fund, and you did some calculations it took you a while to figure that one out and

John Stahmer: I did do that one right

Chairman Ross Wait: Well whatever, you ask me what things you know I mean there is at least 8 things in my documents that I have up here that weren't correct and I'm not saying just from you John, I'm saying from The Department whether it was work in progress, that number went from \$518,000 to \$23,000 I mean, that number, didn't mean anything to us, is it going to have any affect in anything, no but it's just inaccurate information I just find that frustrating, find it frustrating. We need accurate information and the people that prepare these documents, sign them need to take pride and ownership in saying this is correct. I rest my case

Neal Haney: I find it very frustrating too and I've tried to say that a couple of times today and it leads me to the point where at the end of a meeting like this I look at this information that we've got and I begin wondering is any of it accurate

Chairman Ross Wait: Absolutely you question everything, I mean, what in here is correct, I don't know so you assume it's all incorrect

Catherine McGilvery: With the Recovery fund report could we have like an incoming expense summary?

John Stahmer: An incoming expense summary?

Catherine McGilvery: Uh-huh

John Stahmer: Sure

Catherine McGilvery: And then that would

John Stahmer: Do you want that itemized?

Catherine McGilvery: Yea um, for the year to date or fiscal year to date

Chairman Ross Wait: That'd be an easy one to do if you have all of the information and that shows us what's going on, I agree that'd be a good one to have, and you have it, it's just a case of getting it to us

Catherine McGilvery: Rather than all of these other figures that really don't

John Stahmer: Sure

Chairman Ross Wait: Okay, next item I'm assuming

## **XII. Discussion of Board Members' term expiration**

Tape End

Jessica Chapman: On the Board so when they do start doing new appointments again, then they will take those into consideration

Chairman Ross Wait: So can you email to us a link?

Jessica Chapman: Yep

Bob Barger: So, we'll get that to you and also the contact person

Chairman Ross Wait: The contact person, what we need to say

Bob Barger: Contact person used to be Dora Vasquez, I'm not sure if she's still there or not, we'll check into it we'll find all that out get the information to everybody that's on the Board, just what needs to be in the email saying yes I wish to continue, cause that's the only thing that their doing right now is just taking those things, but if the Board can continue we can continue on with our stuff, so the Board still does continue on it doesn't just stop because they're not taking the, nominating or reapplying people to the Board, we need to continue on. Again, I appreciate the clean discussions that we have; I know that I'm getting frustrated with these things also, because we've had these discussions in many Board meetings that we need to have accurate information. A lot of it has to do with the computer system, the way the information is carried over, from year to date, to current year information and things. We're working desperately to straighten those things out; we have upgraded the computer system considerably from what we used to have and things. So again, all of the points are well taken and we desperately not desperately we will get the information correct. So that was the only discussion on the continuation with the Board, we'll get the information to you all and we'll let you know what that link is

Chairman Ross Wait: Okay

John Stahmer: One last thing

Chairman Ross Wait: Sure

John Stahmer: The main thing besides accurate information out of this and tell me if I'm wrong is the auditing, you want more resources spent on auditing less driving around in parks, that's something

Neal Haney: Please

Chairman Ross Wait: Absolutely, we need focused on Dealers and you know if I was the one setting the standard, look at the higher risk ones first. Higher risk means much more sales volume, much more stuff in Trust accounts, a lot of times those are probably the healthy ones. Perhaps you look at these type of Dealerships, I'm not sure what the word is where someone is just, put for no money they have a Dealership and the only persons at risk is the trust and you've got these layers, I mean, those are high risk we've already learned that on several occasions, those types of Dealerships should be looked at more closely than probably something else. You need to sit down and say; okay I want to reallocate some resources here to audit now, who should be looked at? Who has the highest potential of risk to the Recovery fund? Because like I say there's going to be a lot more pressure as unintelligible goes away, a lot of pressure. That three come through our bank in the last few months, they're flooring expires one is gone their toast, so their desperate trying to find funds.

### **XIII. Call to the Public**

Chairman Ross Wait: Alright, call to the public. If there's any public here, Ken

#### **Public Comments**

Ken: I guess I'm public, I just wanted to just make a few comments, Debra and Betty were good enough to attend our Chapter meeting, Phoenix Chapter meeting last night and they really did well as far as answering many questions about installations. Chuck has been to many of our Chapter meetings as well, very very good support from The Department for our Chapter, so we thank you for letting happen. I know a lot of your discussion today was on the Recovery fund and I can see that you know we've spent a million and a half dollars in the last year on just Recovery funds alone. I've worked on a national level, Bill and I both worked on a national level on escrows and many states have escrows just like a real estate broker it has escrow Arizona happens to be one of the States that has a Trust fund as opposed to an escrow and I'd just like to say and I understand it's a legislative issue, it'll take time but the industry would support full escrow for all deposits. Now that would not preclude a Retailer from using funds for him to pay off the flooring, but essentially it puts all of the funds into an escrow just like real estate, my counterpart in California Jess Maxi they've got full escrow for 15 years I asked him a month ago, how much did they lose and he said 'zero' so, we could be a million and half to the better understanding that it's going to take a year, maybe two to get a full escrow through the Legislature but I know the AGs office would love to have it because then you'd have, so I just wanted to offer that

Chairman Ross Wait: Okay, thank you I appreciate that comment. Alright, no there's Bill

Bill Trottier: Just 45 seconds, everyone on the Board and the staff knows I've retired from the industry and just wanted to take this opportunity to do two things, one to formally thank you for the privilege and honor of having served with you to help our customers and our industry numbers do the best we possibly can for the Arizona housing. The second thing is that Ken

Anderson who is the president of the Association is and will continue to be an outstanding leader and spokes person for the industry, somebody you can respect and trust to do the right thing, the right way and that's probably even more important to me then having had the honors to serve with you, but thank you very much and I really appreciate it and this is 21 years in T\_WI and 11 here and they've been just wonderful years, so thank you very much

Chairman Ross Wait: Thank you Bill

Bob Barger: Thank you

**XIV. Announcements**

Chairman Ross Wait: Alright, next meeting day, May something

Bob Barger: I believe

Debra Blake: Third Wednesday

Jessica Chapman: 20<sup>th</sup>

Bob Barger: That'd be May 20<sup>th</sup>

Chairman Ross Wait: May 20<sup>th</sup>?

Catherine McGilvery: Yes

**XV. Adjournment**

Chairman Ross Wait: There being no further business to come before this Board I'd entertain a motion to adjourn

Roger Wendt: So moved

Neal Haney: Second

Chairman Ross Wait: Alright, Adjourned.

Jessica Chapman – Recording Secretary



Ross Wait, Chairman  
Board of Manufactured Housing  
Department of Fire, Building, and Life Safety